

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



State of Indiana
Statement of Net Assets
June 30, 2006
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Current assets:				
Cash, cash equivalents and investments	\$ 3,686,218	\$ 477,457	\$ 4,163,675	\$ 7,327,161
Securities lending collateral	2,805,288	-	2,805,288	678,607
Receivables (net)	1,890,932	33,710	1,924,642	623,199
Intergovernmental receivable	-	-	-	331
Inventory	5,670	501	6,171	28,374
Prepaid expenses	-	104	104	14,088
Loans	94,280	-	94,280	-
Intergovernmental loans	-	-	-	461,845
Due from primary government	-	-	-	46,183
Due from component unit	3,657,720	-	3,657,720	-
Investment in direct financing lease	-	-	-	37,660
Funds held in trust by others	-	-	-	26,298
Other current assets	-	-	-	56,065
Total current assets	12,140,108	511,772	12,651,880	9,299,811
Noncurrent assets:				
Cash, cash equivalents and investments - restricted	-	-	-	2,308,346
Taxes, interest, and penalties receivable	268,283	-	268,283	4,369
Other receivables	53,997	-	53,997	3,700,305
Investments - unrestricted	-	-	-	3,111,156
Loans	393,567	-	393,567	60
Bond issuance costs net of amortization	-	-	-	48,442
Intergovernmental loans	-	-	-	1,623,058
Due from primary government	-	-	-	112,160
Due from component unit	980	-	980	-
Investment in direct financing lease	-	-	-	1,468,876
Net pension assets	236,092	-	236,092	-
Other noncurrent assets	15	-	15	73,307
Capital assets:				
Land	1,182,179	-	1,182,179	329,650
Infrastructure	7,598,447	-	7,598,447	453,562
Construction in progress	426,198	-	426,198	724,550
Property, plant, and equipment	1,759,443	22,218	1,781,661	7,877,509
Less accumulated depreciation	(905,839)	(11,054)	(916,893)	(3,369,361)
Total capital assets, net of depreciation	10,060,428	11,164	10,071,592	6,015,910
Total noncurrent assets	11,013,362	11,164	11,024,526	18,465,989
Total assets	23,153,470	522,936	23,676,406	27,765,800
Liabilities:				
Current liabilities:				
Accounts payable	406,525	7,003	413,528	347,770
Claims payable	-	2,137	2,137	12,750
Interest payable	-	-	-	134,963
Current portion of long-term debt	-	-	-	1,040,559
Line of credit	-	-	-	102,055
Intergovernmental payable	2,115,822	-	2,115,822	331
Due to primary government	-	-	-	3,657,720
Due to component unit	46,183	-	46,183	-
Capital lease payable	35,889	-	35,889	1,561
Accrued prize liability	-	-	-	58,068
Salaries, health, disability, and benefits payable	97,420	319	97,739	30,842
Tax refunds payable	35,655	-	35,655	-
Deferred revenue	35,093	8,760	43,853	295,021
Accrued liability for compensated absences	75,534	187	75,721	59,075
Securities lending payable	9,702	-	9,702	-
Securities lending collateral	2,805,288	-	2,805,288	678,606
Deposits held in custody for others	-	-	-	30,067
Other current liabilities	690	1,485	2,175	37,359
Total current liabilities	5,663,801	19,891	5,683,692	6,486,747

State of Indiana
Statement of Net Assets
June 30, 2006
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Long-term liabilities:				
Accrued liability for compensated absences	\$ 55,223	\$ 187	\$ 55,410	\$ 39,891
Claims payable	16,309	44,058	60,367	-
Intergovernmental payable	95,000	-	95,000	-
Accrued prize liability	-	-	-	67,512
Net pension obligations	12,309	-	12,309	-
Due to component unit	112,160	-	112,160	-
Due to primary government	-	-	-	980
Deferred revenue	-	-	-	3,730,442
Capital lease payable	1,271,183	-	1,271,183	10,882
Funds held in trust for others	-	-	-	111,613
Advances from federal government	-	-	-	29,906
Revenue bonds/notes payable	-	-	-	10,518,129
Other noncurrent liabilities	-	-	-	102,137
Total long-term liabilities	1,562,184	44,245	1,606,429	14,611,492
Total liabilities	7,225,985	64,136	7,290,121	21,098,239
Net Assets:				
Invested in capital assets net of related debt	8,764,090	11,164	8,775,254	2,804,395
Restricted-nonexpendable:				
Grants/constitutional restrictions	529,880	-	529,880	2,497
Permanent funds	505,282	-	505,282	-
Future debt service	-	-	-	106,594
Instruction and research	-	-	-	146,824
Student aid	-	-	-	117,715
Other purposes	-	-	-	104,557
Total restricted-nonexpendable	1,035,162	-	1,035,162	478,187
Restricted-expendable:				
Instruction and research	-	-	-	129,450
Future debt service	-	-	-	167,938
Pension fund distribution	-	-	-	8,405
Public safety programs	5,791	-	5,791	-
Student aid	-	-	-	80,203
Auxiliary enterprises	-	-	-	3,980
Capital projects	-	-	-	187,684
Unemployment compensation	-	448,929	448,929	-
Other purposes	-	-	-	2,223,546
Total restricted-expendable	5,791	448,929	454,720	2,801,206
Unrestricted	6,122,442	(1,293)	6,121,149	583,773
Total net assets	\$ 15,927,485	\$ 458,800	\$ 16,386,285	\$ 6,667,561

The notes to the financial statements are an integral part of this statement.

State of Indiana
Statement of Activities
For the Year Ended June 30, 2006
(amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions		Primary Government			Component Units
			Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total		
Primary government:								
Governmental activities:								
General government	\$ 4,317,441	\$ 464,728	\$ 298,096	\$ -	\$ (3,554,617)	\$ -	\$ (3,554,617)	\$ -
Public safety	1,181,061	516,316	164,168	11,754	(488,823)	-	(488,823)	-
Health	333,740	12,702	184,188	-	(136,850)	-	(136,850)	-
Welfare	7,261,688	157,221	5,104,406	-	(2,000,061)	-	(2,000,061)	-
Conservation, culture and development	546,489	114,004	231,106	-	(201,379)	-	(201,379)	-
Education	6,971,170	3,045	866,718	-	(6,101,407)	-	(6,101,407)	-
Transportation	1,726,735	18,542	804,616	-	(903,577)	-	(903,577)	-
Unallocated interest expense	787	-	-	-	(787)	-	(787)	-
Total governmental activities	<u>22,339,111</u>	<u>1,286,558</u>	<u>7,653,298</u>	<u>11,754</u>	<u>(13,387,501)</u>	<u>-</u>	<u>(13,387,501)</u>	<u>-</u>
Business-type activities:								
Unemployment Compensation Fund	692,907	663,084	-	-	-	(29,823)	(29,823)	-
Other	31,981	32,846	-	-	-	865	865	-
Total business-type activities	<u>724,888</u>	<u>695,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,958)</u>	<u>(28,958)</u>	<u>-</u>
Total primary government	<u>\$ 23,063,999</u>	<u>\$ 1,982,488</u>	<u>\$ 7,653,298</u>	<u>\$ 11,754</u>	<u>(13,387,501)</u>	<u>(28,958)</u>	<u>(13,416,459)</u>	<u>-</u>
Component units:								
Proprietary	5,170,289	1,265,524	364,021	23	-	-	-	(3,540,721)
Colleges and universities	4,800,601	2,337,755	1,221,054	84,007	-	-	-	(1,157,785)
Total component units	<u>\$ 9,970,890</u>	<u>\$ 3,603,279</u>	<u>\$ 1,585,075</u>	<u>\$ 84,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,698,506)</u>
General Revenues:								
					5,396,926	-	5,396,926	-
					5,352,132	-	5,352,132	-
					879,313	-	879,313	-
					806,271	-	806,271	-
					139,365	-	139,365	-
					373,921	-	373,921	-
					181,501	-	181,501	-
					79,018	-	79,018	-
					346,816	-	346,816	-
					13,555,263	-	13,555,263	-
Revenue not restricted to specific programs								
					153,834	26,617	180,451	408,786
					-	-	-	1,337,926
					55,848	-	55,848	73,985
Special item								
					3,618,528	-	3,618,528	-
					(818)	818	-	-
Total general revenues, special items, and transfers					<u>17,382,655</u>	<u>27,435</u>	<u>17,410,090</u>	<u>1,820,697</u>
Changes in net assets					3,995,154	(1,523)	3,993,631	(2,877,809)
Net assets - beginning, as restated					11,932,331	460,323	12,392,654	9,545,370
Net assets - ending					<u>\$ 15,927,485</u>	<u>\$ 458,800</u>	<u>\$ 16,386,285</u>	<u>\$ 6,667,561</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

State of Indiana
Balance Sheet
Governmental Funds
June 30, 2006
(amounts expressed in thousands)

	<u>General Fund</u>	<u>Motor Vehicle Highway Fund</u>	<u>Medicaid Assistance Fund</u>	<u>Major Moves Construction Fund</u>
Assets:				
Cash, cash equivalents and investments-unrestricted	\$ 1,406,448	\$ -	\$ 34,636	\$ -
Securities lending collateral	2,452,549	-	-	-
Receivables:				
Taxes (net of allowance for uncollectible accounts)	1,278,215	21,234	-	-
Securities lending	8,226	-	-	-
Accounts	10,839	-	-	-
Grants	5,059	1,160	11,314	-
Interest	11,130	-	-	3,453
Interfund loans	12,818	-	-	-
Due from component unit	354	-	-	3,118,388
Prepaid expenditures	198	667	-	-
Loans	21,669	-	-	-
	<u>\$ 5,207,505</u>	<u>\$ 23,061</u>	<u>\$ 45,950</u>	<u>\$ 3,121,841</u>
Liabilities:				
Accounts payable	\$ 140,896	\$ 1,383	\$ 49	\$ -
Salaries and benefits payable	35,182	5,289	-	-
Interfund loans	-	3,812	-	-
Interfund services used	1,854	1,440	-	-
Intergovernmental payable	194,826	27,598	-	355,000
Due to component unit	7	-	-	-
Tax refunds payable	30,610	5	-	-
Deferred revenue	507,381	10,442	-	-
Accrued liability for compensated absences-current	2,424	53	-	-
Securities lending payable	8,226	-	-	-
Securities lending collateral	2,452,549	-	-	-
	<u>3,373,955</u>	<u>50,022</u>	<u>49</u>	<u>355,000</u>
Fund balance:				
Reserved:				
Encumbrances	41,503	8,271	-	-
Special purposes	5,059	1,160	11,314	-
Tuition support	316,553	-	-	-
Interfund loans	12,818	-	-	-
Long-term loans and advances	20,803	-	-	-
Unreserved fund balance reported in:				
General fund	1,436,814	-	-	-
Special revenue funds	-	(36,392)	34,587	2,766,841
Capital projects funds	-	-	-	-
Permanent funds	-	-	-	-
	<u>1,833,550</u>	<u>(26,961)</u>	<u>45,901</u>	<u>2,766,841</u>
Total fund balances	<u>\$ 5,207,505</u>	<u>\$ 23,061</u>	<u>\$ 45,950</u>	<u>\$ 3,121,841</u>
Total liabilities and fund balances	<u>\$ 5,207,505</u>	<u>\$ 23,061</u>	<u>\$ 45,950</u>	<u>\$ 3,121,841</u>

The notes to the financial statements are an integral part of this statement.

<u>State Highway Department Fund</u>	<u>Property Tax Replacement Fund</u>	<u>Tobacco Settlement Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
\$ 371,640	\$ 3,954	\$ 171,876	\$ 1,621,435	\$ 3,609,989
5,129	-	11,052	336,559	2,805,289
-	325,686	-	163,515	1,788,650
21	-	64	1,391	9,702
1,381	-	-	19,402	31,622
52,768	-	-	151,909	222,210
-	-	35	1,534	16,152
-	-	-	436	13,254
2,170	-	-	536,808	3,657,720
-	-	-	40	905
7,745	-	-	458,434	487,848
<u>\$ 440,854</u>	<u>\$ 329,640</u>	<u>\$ 183,027</u>	<u>\$ 3,291,463</u>	<u>\$ 12,643,341</u>
\$ 11,134	\$ 817	\$ 4,763	\$ 151,724	\$ 310,766
7,160	-	54	26,060	73,745
-	-	-	9,442	13,254
615	-	3	3,806	7,718
-	1,454,958	-	83,440	2,115,822
-	-	-	6,176	6,183
-	-	-	5,040	35,655
938	98,007	-	89,383	706,151
575	-	1	2,108	5,161
21	-	64	1,391	9,702
5,129	-	11,052	336,559	2,805,289
<u>25,572</u>	<u>1,553,782</u>	<u>15,937</u>	<u>715,129</u>	<u>6,089,446</u>
958,128	-	3,124	368,184	1,379,210
52,768	-	-	151,364	221,665
-	-	-	-	316,553
-	-	-	436	13,254
7,745	-	-	457,315	485,863
-	-	-	-	1,436,814
(603,359)	(1,224,142)	163,966	917,653	2,019,154
-	-	-	91,149	91,149
-	-	-	590,233	590,233
<u>415,282</u>	<u>(1,224,142)</u>	<u>167,090</u>	<u>2,576,334</u>	<u>6,553,895</u>
<u>\$ 440,854</u>	<u>\$ 329,640</u>	<u>\$ 183,027</u>	<u>\$ 3,291,463</u>	<u>\$ 12,643,341</u>

State of Indiana
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2006
(amounts expressed in thousands)

Total fund balances-governmental funds \$ 6,553,895

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$	1,182,179	
Infrastructure assets		7,598,447	
Construction in progress		426,187	
Property, plant, and equipment		1,716,529	
Accumulated depreciation		(880,939)	
Total capital assets, net of depreciation			10,042,403

The State's pension funds have net pension assets not reported as assets in the funds. 236,092

Initial funding for the startup of the Recreational Development Commission is a noncurrent asset not reported in the funds 500

Some of the state's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 809,667

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds. (304,220)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 71,378

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Accrued liability for compensated absences		(122,959)	
Loan from the Indiana Board for Depositories		(50,000)	
Capital lease payable		(1,296,962)	
Net pension obligations		(12,309)	
Total long-term liabilities			(1,482,230)

Net assets of governmental activities **\$ 15,927,485**

The notes to the financial statements are an integral part of this statement.



State of Indiana
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2006
(amounts expressed in thousands)

	<u>General Fund</u>	<u>Motor Vehicle Highway Fund</u>	<u>Medicaid Assistance Fund</u>
Revenues:			
Taxes:			
Income	\$ 5,292,697	\$ -	\$ -
Sales	2,554,675	-	-
Fuels	-	493,225	-
Gaming	85,548	-	-
Inheritance	139,341	-	-
Alcohol and tobacco	313,140	-	-
Insurance	176,891	-	-
Financial Institutions	-	-	-
Other	180,121	-	-
Total taxes	<u>8,742,413</u>	<u>493,225</u>	<u>-</u>
Current service charges	236,560	63,542	-
Investment income	153,721	-	-
Sales/rents	1,143	393	-
Grants	11,622	15,456	3,335,873
Other	54,705	60,351	9,344
	<u>9,200,164</u>	<u>632,967</u>	<u>3,345,217</u>
Expenditures:			
Current:			
General government	1,188,610	308,525	-
Public safety	600,863	188,859	-
Health	96,587	-	-
Welfare	346,883	-	4,860,732
Conservation, culture and development	72,968	-	-
Education	5,962,957	273	-
Transportation	952	2,760	-
	<u>8,269,820</u>	<u>500,417</u>	<u>4,860,732</u>
Excess (deficiency) of revenues over expenditures	<u>930,344</u>	<u>132,550</u>	<u>(1,515,515)</u>
Other financing sources (uses):			
Transfers in	2,935,594	232,479	1,743,994
Transfers (out)	(3,225,935)	(374,158)	(195,926)
Proceeds from capital lease	-	-	-
	<u>(290,341)</u>	<u>(141,679)</u>	<u>1,548,068</u>
Special item:			
Proceeds from lease of Toll Road	-	-	-
Net change in fund balances	640,003	(9,129)	32,553
Fund Balance July 1, as restated	<u>1,193,547</u>	<u>(17,832)</u>	<u>13,348</u>
Fund Balance June 30	<u>\$ 1,833,550</u>	<u>\$ (26,961)</u>	<u>\$ 45,901</u>

The notes to the financial statements are an integral part of this statement.

Major Moves Construction Fund	State Highway Department Fund	Property Tax Replacement Fund	Tobacco Settlement Fund	Non-Major Governmental Funds	Total
\$ -	\$ -	\$ -	\$ -	\$ 216,371	\$ 5,509,068
-	-	2,578,491	-	187,232	5,320,398
-	-	-	-	378,919	872,144
-	-	-	-	720,687	806,235
-	-	-	-	-	139,341
-	-	-	-	60,794	373,934
-	-	-	-	4,611	181,502
-	-	-	-	88,803	88,803
-	-	-	-	162,494	342,615
-	-	2,578,491	-	1,819,911	13,634,040
-	14,678	-	119,346	896,301	1,330,427
3,452	385	-	1,246	27,692	186,496
-	2,082	-	-	21,740	25,358
-	670,124	-	247	3,189,612	7,222,934
-	76,597	-	1,571	228,177	430,745
3,452	763,866	2,578,491	122,410	6,183,433	22,830,000
-	179	2,157,222	15,864	644,555	4,314,955
-	-	-	-	401,497	1,191,219
-	-	-	32,127	204,816	333,530
-	-	-	-	2,054,616	7,262,231
-	-	-	155	467,832	540,955
-	-	-	-	987,850	6,951,080
354,999	1,167,819	-	-	211,884	1,738,414
354,999	1,167,998	2,157,222	48,146	4,973,050	22,332,384
(351,547)	(404,132)	421,269	74,264	1,210,383	497,616
-	491,391	1,341,219	7,567	1,784,313	8,536,557
-	(6,927)	(1,895,596)	(129,563)	(2,703,939)	(8,532,044)
-	66,481	-	-	-	66,481
-	550,945	(554,377)	(121,996)	(919,626)	70,994
3,118,388	-	-	-	500,139	3,618,527
2,766,841	146,813	(133,108)	(47,732)	790,896	4,187,137
-	268,469	(1,091,034)	214,822	1,785,438	2,366,758
\$ 2,766,841	\$ 415,282	\$ (1,224,142)	\$ 167,090	\$ 2,576,334	\$ 6,553,895

State of Indiana
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2006
(amounts expressed in thousands)

Net change in fund balances-total governmental funds \$ 4,187,137

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report net capital outlays for infrastructure as expenditures. However in the statement of activities these outlays are capitalized and under the modified approach not depreciated. This is the amount of the net capital outlays for infrastructure under the modified approach in the current period. 102,002

Governmental funds report net capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$58,876) exceeds net capital outlays (\$49,679) in the current period. (9,197)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (112,956)

Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds. (171,736)

Payment delays to colleges and universities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (458)

The change in net pension assets and net pension obligations do not provide or require the use of current financial resources:
Decrease in net pension assets (12,814)
Decrease in net pension obligations 16,359

Internal service funds are used by management to charge the costs of certain activities, such as insurance, data processing, telecommunications, fleet management, and printing, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. (3,183)

Change in net assets of governmental activities. \$ 3,995,154

The notes to the financial statements are an integral part of this statement.



State of Indiana
Statement of Fund Net Assets
Proprietary Funds
June 30, 2006

(amounts expressed in thousands)

	Unemployment Compensation Fund	Other Enterprise Funds	Total	Internal Service Funds
Assets				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 422,929	\$ 54,528	\$ 477,457	\$ 76,227
Receivables:				
Accounts	28,297	433	28,730	6,748
Interest	-	636	636	-
Grants	4,344	-	4,344	-
Interfund services provided	-	-	-	7,721
Inventory	-	501	501	5,670
Prepaid expenses	-	104	104	-
Total current assets	<u>455,570</u>	<u>56,202</u>	<u>511,772</u>	<u>96,366</u>
Noncurrent assets:				
Capital assets:				
Construction in progress	-	-	-	11
Property, plant, and equipment	-	22,218	22,218	42,914
Less accumulated depreciation	-	(11,054)	(11,054)	(24,900)
Total capital assets, net of depreciation	<u>-</u>	<u>11,164</u>	<u>11,164</u>	<u>18,025</u>
Other assets	-	-	-	15
Total noncurrent assets	<u>-</u>	<u>11,164</u>	<u>11,164</u>	<u>18,040</u>
Total assets	<u>455,570</u>	<u>67,366</u>	<u>522,936</u>	<u>114,406</u>
Liabilities				
Current liabilities:				
Accounts payable	6,641	362	7,003	6,240
Claims payable	-	2,137	2,137	-
Salaries and benefits payable	-	319	319	1,005
Capital lease payable	-	-	-	675
Health/disability benefits payable	-	-	-	21,439
Accrued liability for compensated absences	-	187	187	1,478
Interfund services used	-	-	-	3
Deferred revenue	-	8,760	8,760	904
Other liabilities	-	1,485	1,485	690
Total current liabilities	<u>6,641</u>	<u>13,250</u>	<u>19,891</u>	<u>32,434</u>
Noncurrent liabilities:				
Accrued liability for compensated absences	-	187	187	1,159
Capital lease payable	-	-	-	9,435
Claims payable	-	44,058	44,058	-
Total noncurrent liabilities	<u>-</u>	<u>44,245</u>	<u>44,245</u>	<u>10,594</u>
Total liabilities	<u>6,641</u>	<u>57,495</u>	<u>64,136</u>	<u>43,028</u>
Net assets				
Invested in capital assets net of related debt	-	11,164	11,164	7,915
Restricted-expendable:				
Unemployment compensation	448,929	-	448,929	-
Unrestricted	-	(1,293)	(1,293)	63,463
Total net assets	<u>\$ 448,929</u>	<u>\$ 9,871</u>	<u>\$ 458,800</u>	<u>\$ 71,378</u>

The notes to the financial statements are an integral part of this statement.

State of Indiana
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2006

(amounts expressed in thousands)

	Unemployment Compensation Fund	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Sales/rents/premiums	\$ -	\$ 32,698	\$ 32,698	\$ 368,056
Employer contributions	629,513	-	629,513	-
Charges for services	-	-	-	1,499
Other	-	148	148	112
Total operating revenues	629,513	32,846	662,359	369,667
Cost of sales	-	3,444	3,444	28,220
Gross margin	629,513	29,402	658,915	341,447
Operating expenses:				
General and administrative expense	-	19,476	19,476	91,102
Claims expense	-	8,095	8,095	-
Health / disability benefit payments	-	-	-	244,293
Unemployment compensation benefits	692,907	-	692,907	-
Depreciation and amortization	-	575	575	2,897
Other	-	145	145	-
Total operating expenses	692,907	28,291	721,198	338,292
Operating income (loss)	(63,394)	1,111	(62,283)	3,155
Nonoperating revenues (expenses):				
Interest and other investment income	26,044	573	26,617	2
Interest and other investment expense	-	-	-	(787)
Gain (Loss) on disposition of assets	-	(246)	(246)	(48)
Other	33,571	-	33,571	(212)
Total nonoperating revenues (expenses)	59,615	327	59,942	(1,045)
Income before contributions and transfers	(3,779)	1,438	(2,341)	2,110
Capital contributions	-	-	-	38
Transfers in	-	818	818	4,010
Transfers (out)	-	-	-	(9,341)
Change in net assets	(3,779)	2,256	(1,523)	(3,183)
Total net assets, July 1, as restated	452,708	7,615	460,323	74,561
Total net assets, June 30	\$ 448,929	\$ 9,871	\$ 458,800	\$ 71,378

The notes to the financial statements are an integral part of this statement.

State of Indiana
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2006

(amounts expressed in thousands)

	Unemployment Compensation Fund	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 633,167	\$ 34,222	\$ 667,389	\$ 365,763
Cash paid for general and administrative	-	(18,824)	(18,824)	(90,344)
Cash paid for salary/health/disability benefit payments	-	-	-	(248,352)
Cash paid to suppliers	-	(3,379)	(3,379)	(26,406)
Cash paid for claims expense	(690,925)	(2,408)	(693,333)	-
Net cash provided (used) by operating activities	(57,758)	9,611	(48,147)	661
Cash flows from noncapital financing activities:				
Transfers in	-	-	-	4,010
Transfers out	-	-	-	(9,972)
Other	29,380	-	29,380	(212)
Net cash provided (used) by noncapital financing activities	29,380	-	29,380	(6,174)
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	-	(93)	(93)	(2,885)
Proceeds from sale of assets	-	-	-	720
Principal payments -- capital leases	-	-	-	(1,357)
Capital contributions	-	818	818	-
Interest paid	-	-	-	(15)
Net cash provided (used) by capital and related financing activities	-	725	725	(3,537)
Cash flows from investing activities:				
Proceeds from sales of investments	-	3,869	3,869	-
Purchase of investments	-	(11,315)	(11,315)	-
Interest income (expense) on investments	26,044	573	26,617	2
Net cash provided (used) by investing activities	26,044	(6,873)	19,171	2
Net increase (decrease) in cash and cash equivalents	(2,334)	3,463	1,129	(9,048)
Cash and cash equivalents, July 1, as restated	425,263	3,271	428,534	85,275
Cash and cash equivalents, June 30	\$ 422,929	\$ 6,734	\$ 429,663	\$ 76,227
Reconciliation of cash , cash equivalents and investments:				
Cash and cash equivalents unrestricted at end of year	\$ 422,929	\$ 6,734	\$ 429,663	\$ 76,227
Investments unrestricted	-	47,794	47,794	-
Cash, cash equivalents and investments per balance sheet	\$ 422,929	\$ 54,528	\$ 477,457	\$ 76,227
Noncash investing, capital and financing activities:				
Increase in fair value of investments	\$ -	\$ 2,138	\$ 2,138	\$ -
Acquisition of capital assets through capital leases	-	-	-	127

State of Indiana
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended
June 30, 2006

(amounts expressed in thousands)

	Unemployment Compensation Fund	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (63,394)	\$ 1,111	\$ (62,283)	\$ 3,155
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	-	575	575	2,897
(Increase) decrease in receivables	3,654	(40)	3,614	(108)
(Increase) decrease in interfund services provided	-	-	-	(2,581)
(Increase) decrease in inventory	-	66	66	283
(Increase) decrease in prepaid expenses	-	(72)	(72)	-
(Increase) decrease in claims payable	-	5,687	5,687	-
Increase (decrease) in benefits payable	-	-	-	(4,058)
Increase (decrease) in accounts payable	1,982	(139)	1,843	1,445
Increase (decrease) in deferred revenue	-	1,415	1,415	(1,213)
Increase (decrease) in salaries payable	-	(64)	(64)	316
Increase (decrease) in compensated absences	-	49	49	525
Increase (decrease) in other payables	-	1,023	1,023	-
Net cash provided (used) by operating activities	<u>\$ (57,758)</u>	<u>\$ 9,611</u>	<u>\$ (48,147)</u>	<u>\$ 661</u>

The notes to the financial statements are an integral part of this statement.

State of Indiana
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006
(amounts expressed in thousands)

	Pension and Other Employee Benefits Trust Funds	Private-Purpose Trust Funds	Agency Funds
Assets:			
Cash, cash equivalents and non-pension investments	\$ 1,446,497	\$ 47,910	\$ 573,007
Securities lending collateral	4,126,068	5,821	85,444
Receivables:			
Taxes	-	-	13,185
Contributions	174,416	-	-
Interest	73,790	105	-
Securities lending	-	28	358
Member loans	6,944	-	-
Due from other funds	11,862	-	-
Due from component unit	826	-	-
From investment sales	1,175,050	-	-
Other	1,000	-	61
Pension and other employee benefit investments at fair value:			
Equity Securities	12,589,842	-	-
Debt Securities	7,187,030	-	-
Mutual Funds	2,060,079	-	-
Other	379,696	-	-
Total investments	<u>22,216,647</u>	<u>-</u>	<u>-</u>
Other assets	-	-	137,218
Property, plant and equipment net of accumulated depreciation	<u>3,120</u>	<u>-</u>	<u>-</u>
Total assets	<u>29,236,220</u>	<u>53,864</u>	<u>809,273</u>
Liabilities:			
Accounts/escrows payable	17,534	5,242	670,445
Securities purchased payable	2,253,555	-	-
Salaries and benefits payable	574	-	-
Due to other funds	11,862	-	-
Securities lending payable	-	28	358
Due to component unit	826	-	-
Compensated absences	528	-	-
Securities lending collateral	4,126,068	5,821	85,444
Other	241	-	53,026
Total liabilities	<u>6,411,188</u>	<u>11,091</u>	<u>\$ 809,273</u>
Net assets:			
Held in trust for:			
Employees' pension benefits	22,825,032	-	
Trust beneficiaries	<u>-</u>	<u>42,773</u>	
Total net assets	<u>\$ 22,825,032</u>	<u>\$ 42,773</u>	

The notes to the financial statements are an integral part of this statement.

State of Indiana
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2006

(amounts expressed in thousands)

	Pension and Other Employee Benefits Trust Funds	Private-Purpose Trust Funds
Additions:		
Member contributions	\$ 315,840	\$ 72,492
Employer contributions	1,032,755	-
Contributions from the State of Indiana	93,358	-
Net investment income (loss)	2,191,467	910
Less investment expense	(221,818)	-
Donations/escheats	-	77,822
Transfers in	6,605	-
Other	278	-
Total additions	3,418,485	151,224
Deductions:		
Pension benefits	1,279,185	-
Disability and other benefits	9,771	-
Payments to participants/beneficiaries	-	157,233
Refunds of contributions and interest	69,173	-
Administrative	23,899	-
Pension relief distributions	125,075	-
Depreciation	24	-
Transfers out	6,606	-
Other	3,092	337
Total deductions	1,516,825	157,570
Net increase (decrease) in net assets	1,901,660	(6,346)
Net assets held in trust, July 1, as restated	20,923,372	49,119
Net assets held in trust, June 30	\$ 22,825,032	\$ 42,773

The notes to the financial statements are an integral part of this statement.

State of Indiana
Combining Statement of Net Assets
Discretely Presented Component Units
June 30, 2006
(amounts expressed in thousands)

	Proprietary	Colleges and Universities	Total
Assets:			
Current assets:			
Cash, cash equivalents and investments	\$ 6,194,310	\$ 1,132,851	\$ 7,327,161
Securities lending collateral	165,057	513,550	678,607
Receivables (net)	288,248	334,951	623,199
Intergovernmental receivable	331	-	331
Inventory	359	28,015	28,374
Prepaid expenses	3,184	10,904	14,088
Intergovernmental loans	461,845	-	461,845
Due from primary government	6,183	40,000	46,183
Investment in direct financing lease	37,660	-	37,660
Funds held in trust by others	6,817	19,481	26,298
Other current assets	11,835	44,230	56,065
Total current assets	7,175,829	2,123,982	9,299,811
Noncurrent assets:			
Cash, cash equivalents and investments - restricted	689,146	1,619,200	2,308,346
Taxes, interest, and penalties receivable	4,369	-	4,369
Other receivables	3,451,479	248,826	3,700,305
Investments - unrestricted	87,329	3,023,827	3,111,156
Loans	-	60	60
Bond issuance costs net of amortization	48,340	102	48,442
Intergovernmental loans	1,623,058	-	1,623,058
Due from primary government	50,000	62,160	112,160
Investment in direct financing lease	1,459,163	9,713	1,468,876
Other noncurrent assets	7,039	66,268	73,307
Capital assets:			
Land	164,770	164,880	329,650
Infrastructure	209,739	243,823	453,562
Construction in progress	355,278	369,272	724,550
Property, plant, and equipment	1,088,076	6,789,433	7,877,509
Less accumulated depreciation	(302,578)	(3,066,783)	(3,369,361)
Capital assets, net of accumulated depreciation	1,515,285	4,500,625	6,015,910
Total noncurrent assets	8,935,208	9,530,781	18,465,989
Total assets	16,111,037	11,654,763	27,765,800
Liabilities:			
Current liabilities:			
Accounts payable	65,381	282,389	347,770
Claims payable	12,750	-	12,750
Interest payable	133,231	1,732	134,963
Current portion of long-term debt	941,095	99,464	1,040,559
Line of credit	102,055	-	102,055
Intergovernmental payable	331	-	331
Due to primary government	3,657,720	-	3,657,720
Capital lease payable	-	1,561	1,561
Accrued prize liability	58,068	-	58,068
Salaries, health, disability, and benefits payable	87	30,755	30,842
Deferred revenue	55,596	239,425	295,021
Accrued liability for compensated absences	-	59,075	59,075
Securities lending collateral	165,056	513,550	678,606
Deposits held in custody for others	808	29,259	30,067
Other current liabilities	6,227	31,132	37,359
Total current liabilities	5,198,405	1,288,342	6,486,747
Long-term liabilities:			
Accrued liability for compensated absences	-	39,891	39,891
Accrued prize liability	67,512	-	67,512
Due to primary government	980	-	980
Deferred revenue	3,718,195	12,247	3,730,442
Capital lease payable	-	10,882	10,882
Funds held in trust for others	-	111,613	111,613
Advances from federal government	625	29,281	29,906
Revenue bonds/notes payable	8,714,573	1,803,556	10,518,129
Other noncurrent liabilities	9,825	92,312	102,137
Total long-term liabilities	12,511,710	2,099,782	14,611,492
Total liabilities	17,710,115	3,388,124	21,098,239
Net Assets:			
Invested in capital assets net of related debt	120,544	2,683,851	2,804,395
Restricted-nonexpendable:			
Grants/constitutional restrictions	2,497	-	2,497
Future debt service	106,594	-	106,594
Instruction and research	-	146,824	146,824
Student aid	-	117,715	117,715
Other purposes	-	104,557	104,557
Total restricted-nonexpendable	109,091	369,096	478,187
Restricted-expendable:			
Instruction and research	-	129,450	129,450
Future debt service	167,938	-	167,938
Pension fund distribution	8,405	-	8,405
Student aid	-	80,203	80,203
Auxiliary enterprises	-	3,980	3,980
Capital projects	16,117	171,567	187,684
Other purposes	787,765	1,435,781	2,223,546
Total restricted-expendable	980,225	1,820,981	2,801,206
Unrestricted	(2,808,938)	3,392,711	583,773
Total net assets	\$ (1,599,078)	\$ 8,266,639	\$ 6,667,561

The notes to the financial statements are an integral part of this statement.

**State of Indiana
Combining Statement of Activities
Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2006
(amounts expressed in thousands)**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Proprietary</u>	<u>Colleges and Universities</u>	<u>Net (Expense) Revenue</u>
Proprietary	\$ 5,170,289	\$ 1,265,524	\$ 364,021	\$ 23	\$ (3,540,721)	\$ -	\$ (3,540,721)
Colleges and universities	4,800,601	2,337,755	1,221,054	84,007	-	(1,157,785)	(1,157,785)
Total component units	<u>\$ 9,970,890</u>	<u>\$ 3,603,279</u>	<u>\$ 1,585,075</u>	<u>\$ 84,030</u>	<u>(3,540,721)</u>	<u>(1,157,785)</u>	<u>(4,698,506)</u>
		General Revenues:					
			Investment earnings		72,243	336,543	408,786
			Payments from State of Indiana		1,218	1,336,708	1,337,926
			Other		-	73,985	73,985
			Total general revenues		<u>73,461</u>	<u>1,747,236</u>	<u>1,820,697</u>
			Change in net assets		<u>(3,467,260)</u>	<u>589,451</u>	<u>(2,877,809)</u>
			Net assets - beginning, as restated		<u>1,868,182</u>	<u>7,677,188</u>	<u>9,545,370</u>
			Net assets - ending		<u>\$ (1,599,078)</u>	<u>\$ 8,266,639</u>	<u>\$ 6,667,561</u>

The notes to the financial statements are an integral part of this statement.

State of Indiana
Combining Statement of Net Assets
Discretely Presented Component Units -
Proprietary Funds
June 30, 2006
(amounts expressed in thousands)

	Indiana Finance Authority	Indiana Bond Bank	Indiana Housing and Community Development Authority	Board for Depositories
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 5,333,262	\$ 92,524	\$ 68,155	\$ 169,430
Securities lending collateral	6,838	-	-	158,219
Receivables (net)	136,549	29,270	333	2,149
Intergovernmental receivable	331	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Intergovernmental loans	-	461,845	-	-
Due from primary government	6,183	-	-	-
Investment in direct financing lease	37,660	-	-	-
Funds held in trust by others	6,817	-	-	-
Other current assets	2,531	-	1,758	-
Total current assets	5,530,171	583,639	70,246	329,798
Noncurrent assets:				
Cash, cash equivalents and investments - restricted	-	37,650	576,113	-
Taxes, interest, and penalties receivable	-	-	4,369	-
Loans receivable	1,525,948	-	685,125	-
Investments - unrestricted	-	-	-	87,329
Bond issuance costs, net of amortization	17,061	23,236	8,043	-
Intergovernmental loans	-	1,623,058	-	-
Due from primary government	-	-	-	50,000
Investment in direct financing lease	1,459,163	-	-	-
Other noncurrent assets	164	-	766	-
Capital assets:				
Land	85,531	-	-	-
Infrastructure	209,739	-	-	-
Construction in progress	141,969	-	-	-
Property, plant, and equipment	1,028,264	-	1,807	490
Less accumulated depreciation	(279,608)	-	(1,628)	(466)
Total capital assets, net of depreciation	1,185,895	-	179	24
Total noncurrent assets	4,188,231	1,683,944	1,274,595	137,353
Total assets	9,718,402	2,267,583	1,344,841	467,151
Liabilities				
Current liabilities:				
Accounts payable	10,078	213	1,502	539
Claims payable	-	-	-	-
Interest payable	69,215	40,164	21,611	-
Current portion of long-term debt	201,465	537,149	199,481	-
Line of credit	-	-	45,205	-
Intergovernmental payable	331	-	-	-
Due to primary government	3,621,125	-	-	-
Accrued prize liability	-	-	-	-
Salaries, health, disability, and benefits payable	-	-	-	-
Deferred revenue	50,281	-	-	-
Securities lending collateral	6,838	-	-	158,218
Deposits held in custody for others	-	-	808	-
Other current liabilities	2,692	-	-	5
Total current liabilities	3,962,025	577,526	268,607	158,762
Long-term liabilities:				
Accrued prize liability	-	-	-	-
Due to primary government	980	-	-	-
Deferred revenue	3,718,195	-	-	-
Advances from federal government	625	-	-	-
Revenue bonds/notes payable	4,366,786	1,675,856	896,217	-
Other noncurrent liabilities	-	521	591	-
Total long-term liabilities	8,086,586	1,676,377	896,808	-
Total liabilities	12,048,611	2,253,903	1,165,415	158,762
Net assets				
Invested in capital assets net of related debt	4,463	-	179	24
Restricted-nonexpendable				
Grants/constitutional restrictions	-	-	2,497	-
Future debt service	-	-	106,594	-
Total restricted-nonexpendable	-	-	109,091	-
Restricted-expendable				
Future debt service	160,200	2,122	-	-
Pension fund distribution	-	-	-	8,405
Capital projects	-	-	-	-
Other purposes	787,765	-	-	-
Total restricted-expendable	947,965	2,122	-	8,405
Unrestricted (deficit)	(3,282,637)	11,558	70,156	299,960
Total net assets	\$ (2,330,209)	\$ 13,680	\$ 179,426	\$ 308,389

The notes to the financial statements are an integral part of this statement.

Secondary Market for Education Loans	State Lottery Commission	Indiana Stadium and Convention Building Authority	Non-Major	Total Component Units
\$ 193,027	\$ 84,867	\$ 222,038	\$ 31,007	\$ 6,194,310
-	-	-	-	165,057
74,175	29,368	10,436	5,968	288,248
-	-	-	-	331
-	349	-	10	359
-	3,087	-	97	3,184
-	-	-	-	461,845
-	-	-	-	6,183
-	-	-	-	37,660
-	-	-	-	6,817
7,546	-	-	-	11,835
274,748	117,671	232,474	37,082	7,175,829
-	74,883	-	500	689,146
-	-	-	-	4,369
1,240,406	-	-	-	3,451,479
-	-	-	-	87,329
-	-	-	-	48,340
-	-	-	-	1,623,058
-	-	-	-	50,000
-	-	-	-	1,459,163
6,109	-	-	-	7,039
-	-	-	79,239	164,770
-	-	-	-	209,739
-	-	213,309	-	355,278
2,438	12,993	-	42,084	1,088,076
(289)	(10,186)	-	(10,401)	(302,578)
2,149	2,807	213,309	110,922	1,515,285
1,248,664	77,690	213,309	111,422	8,935,208
1,523,412	195,361	445,783	148,504	16,111,037
3,482	22,729	26,554	284	65,381
-	-	-	12,750	12,750
2,115	-	126	-	133,231
3,000	-	-	-	941,095
56,850	-	-	-	102,055
-	-	-	-	331
-	36,595	-	-	3,657,720
-	58,068	-	-	58,068
-	-	-	87	87
-	1,059	-	4,256	55,596
-	-	-	-	165,056
-	-	-	-	808
-	2,810	-	720	6,227
65,447	121,261	26,680	18,097	5,198,405
-	67,512	-	-	67,512
-	-	-	-	980
-	-	3,097	-	3,721,292
-	-	-	-	625
1,374,850	-	400,864	-	8,714,573
5,616	-	-	-	6,728
1,380,466	67,512	403,961	-	12,511,710
1,445,913	188,773	430,641	18,097	17,710,115
2,149	2,807	-	110,922	120,544
-	-	-	-	2,497
-	-	-	-	106,594
-	-	-	-	109,091
5,616	-	-	-	167,938
-	-	-	-	8,405
-	-	15,142	975	16,117
-	-	-	-	787,765
5,616	-	15,142	975	980,225
69,734	3,781	-	18,510	(2,808,938)
\$ 77,499	\$ 6,588	\$ 15,142	\$ 130,407	\$ (1,599,078)

**State of Indiana
Combining Statement of Activities
Discretely Presented Component Units -
Proprietary Funds
For the Fiscal Year Ended June 30, 2006**
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana Finance Authority	Indiana Bond Bank	Indiana Housing and Community Development Authority
Indiana Finance Authority	\$ 3,881,413	\$ 265,341	\$ 40,324	\$ -	\$ (3,575,748)	\$ -	\$ -
Indiana Bond Bank	97,855	393	97,874	-	-	412	-
Indiana Housing and Community Development Authority	210,752	52,227	149,552	-	-	-	(8,973)
Board for Depositories	13,666	-	16,860	-	-	-	-
Secondary Market for Educational Loans	55,970	-	59,002	-	-	-	-
State Lottery Commission	814,440	816,566	-	-	-	-	-
Indiana Stadium and Convention Building Authority	-	15,096	-	-	-	-	-
Non-Major Proprietary	96,193	115,901	409	23	-	-	-
Total component units	\$ 5,170,289	\$ 1,265,524	\$ 364,021	\$ 23	(3,575,748)	412	(8,973)
General revenues:							
Investment earnings					72,387	378	(495)
Payments from State of Indiana					-	-	-
Total general revenues					72,387	378	(495)
Change in net assets					(3,503,361)	790	(9,468)
Net assets - beginning, as restated					1,173,152	12,890	188,894
Net assets - ending					<u>\$ (2,330,209)</u>	<u>\$ 13,680</u>	<u>\$ 179,426</u>

The notes to the financial statements are an integral part of this statement.

continued on next page

**State of Indiana
Combining Statement of Activities
Discretely Presented Component Units -
Proprietary Funds
For the Fiscal Year Ended June 30, 2006**
(amounts expressed in thousands)

	Net (Expense) Revenue and Changes in Net Assets					
	Board for Depositories	Secondary Market for Education Loans	State Lottery Commission	Indiana Stadium and Convention Building Authority	Non-Major	Net (Expense) Revenue
Indiana Finance Authority	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,575,748)
Indiana Bond Bank	-	-	-	-	-	412
Indiana Housing and Community Development Authority	-	-	-	-	-	(8,973)
Board for Depositories	3,194	-	-	-	-	3,194
Secondary Market for Educational Loans	-	3,032	-	-	-	3,032
State Lottery Commission	-	-	2,126	-	-	2,126
Indiana Stadium and Convention Building Authority	-	-	-	15,096	-	15,096
Non-Major Proprietary	-	-	-	-	20,140	20,140
Total component units	3,194	3,032	2,126	15,096	20,140	(3,540,721)
General revenues:						
Investment earnings	-	-	(538)	46	465	72,243
Payments from State of Indiana	-	-	-	-	1,218	1,218
Total general revenues	-	-	(538)	46	1,683	73,461
Change in net assets	3,194	3,032	1,588	15,142	21,823	(3,467,260)
Net assets - beginning, as restated	305,195	74,467	5,000	-	108,584	1,868,182
Net assets - ending	\$ 308,389	\$ 77,499	\$ 6,588	\$ 15,142	\$ 130,407	\$ (1,599,078)

State of Indiana
Combining Statement of Net Assets
Discretely Presented Component Units -
Colleges and Universities
June 30, 2006
(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 553,428	\$ 231,809	\$ 347,614	\$ 1,132,851
Securities lending collateral	263,056	250,494	-	513,550
Receivables (net)	119,118	126,123	89,710	334,951
Inventory	17,069	-	10,946	28,015
Prepaid expenses	-	-	10,904	10,904
Due from primary government	15,667	10,795	13,538	40,000
Funds held in trust by others	-	-	19,481	19,481
Other current assets	13,893	27,685	2,652	44,230
Total current assets	982,231	646,906	494,845	2,123,982
Noncurrent assets:				
Cash, cash equivalents and investments - restricted	-	1,558,567	60,633	1,619,200
Other receivables	167,254	61,498	20,074	248,826
Investments - unrestricted	1,740,665	736,694	546,468	3,023,827
Loans	-	60	-	60
Bond issuance costs net of amortization	-	-	102	102
Due from primary government	24,447	17,189	20,524	62,160
Investment in direct financing lease	9,713	-	-	9,713
Other noncurrent assets	-	45,902	20,366	66,268
Capital assets:				
Land	47,453	22,345	95,082	164,880
Infrastructure	134,810	48,388	60,625	243,823
Construction in progress	133,691	135,884	99,697	369,272
Property, plant, and equipment	2,943,235	2,209,056	1,637,142	6,789,433
Less accumulated depreciation	(1,371,901)	(994,990)	(699,892)	(3,066,783)
Total capital assets, net of depreciation	1,887,288	1,420,683	1,192,654	4,500,625
Total noncurrent assets	3,829,367	3,840,593	1,860,821	9,530,781
Total assets	4,811,598	4,487,499	2,355,666	11,654,763
Liabilities				
Current liabilities:				
Accounts payable	194,288	46,998	41,103	282,389
Interest payable	-	-	1,732	1,732
Current portion of long-term debt	37,224	28,873	33,367	99,464
Capital lease payable	1,526	-	35	1,561
Salaries, health, disability, and benefits payable	-	14,097	16,658	30,755
Deferred revenue	167,887	49,683	21,855	239,425
Accrued liability for compensated absences	30,537	21,555	6,983	59,075
Securities lending collateral	263,056	250,494	-	513,550
Deposits held in custody for others	-	18,361	10,898	29,259
Other current liabilities	-	22,781	8,351	31,132
Total current liabilities	694,518	452,842	140,982	1,288,342
Long-term liabilities:				
Accrued liability for compensated absences	10,079	16,875	12,937	39,891
Deferred revenue	-	-	12,247	12,247
Capital lease payable	10,781	-	101	10,882
Funds held in trust for others	50,718	52,088	8,807	111,613
Advances from federal government	-	20,456	8,825	29,281
Revenue bonds/notes payable	658,231	600,143	545,182	1,803,556
Other noncurrent liabilities	75,492	2,876	13,944	92,312
Total long-term liabilities	805,301	692,438	602,043	2,099,782
Total liabilities	1,499,819	1,145,280	743,025	3,388,124
Net assets				
Invested in capital assets net of related debt	1,259,567	791,088	633,196	2,683,851
Restricted-nonexpendable				
Instruction and research	-	146,824	-	146,824
Student aid	-	111,307	6,408	117,715
Other purposes	64,991	24,766	14,800	104,557
Total restricted-nonexpendable	64,991	282,897	21,208	369,096
Restricted-expendable				
Instruction and research	67,490	60,611	1,349	129,450
Student aid	20,221	55,638	4,344	80,203
Auxiliary enterprises	-	3,980	-	3,980
Capital projects	15,175	84,040	72,352	171,567
Other purposes	23,370	1,152,740	259,671	1,435,781
Total restricted-expendable	126,256	1,357,009	337,716	1,820,981
Unrestricted (deficit)	1,860,965	911,225	620,521	3,392,711
Total net assets	\$ 3,311,779	\$ 3,342,219	\$ 1,612,641	\$ 8,266,639

The notes to the financial statements are an integral part of this statement.

State of Indiana
Combining Statement of Activities
Discretely Presented Component Units -
Colleges and Universities
For the Fiscal Year Ended June 30, 2006
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana University	Purdue University	Non-Major Colleges and Universities	Net (Expense) Revenue
Indiana University	\$ 2,225,569	\$ 1,190,910	\$ 579,454	\$ 21,134	\$ (434,071)	\$ -	\$ -	\$ (434,071)
Purdue University	1,448,562	703,198	362,338	53,027	-	(329,999)	-	(329,999)
Non-Major Colleges and Universities	1,126,470	443,647	279,262	9,846	-	-	(393,715)	(393,715)
Total component units	<u>\$ 4,800,601</u>	<u>\$ 2,337,755</u>	<u>\$ 1,221,054</u>	<u>\$ 84,007</u>	<u>(434,071)</u>	<u>(329,999)</u>	<u>(393,715)</u>	<u>(1,157,785)</u>
General revenues:								
Investment earnings					170,695	112,501	53,347	336,543
Payments from State of Indiana					528,615	358,282	449,811	1,336,708
Other					8,257	59,297	6,431	73,985
Total general revenues					<u>707,567</u>	<u>530,080</u>	<u>509,589</u>	<u>1,747,236</u>
Change in net assets					273,496	200,081	115,874	589,451
Net assets - beginning, as restated					3,038,283	3,142,138	1,496,767	7,677,188
Net assets - ending					<u>\$ 3,311,779</u>	<u>\$ 3,342,219</u>	<u>\$ 1,612,641</u>	<u>\$ 8,266,639</u>

The notes to the financial statements are an integral part of this statement.

